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March 23, 2005

**VIA FEDERAL EXPRESS**

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20006

213611



Re: **Finance Docket No. 34667**  
**BNSF Railway Company – Purchase and**  
**Operation – State of South Dakota**

Dear Secretary Williams:

We are in receipt of statements from each of the following parties which were submitted to the Surface Transportation Board in connection with the above-captioned proceeding:

1. The Mitchell Area Development Corporation;
2. Yaggie's, Inc. a 54-car grain loading elevator; and
3. Verasun Energy.

In order to ensure compliance with the Board's formal filing requirements, enclosed please find eleven (11) copies of each of the above-referenced submissions.

Very truly yours,

**ENTERED**  
**Office of Proceedings**

MAR 24 2005

**Part of**  
**Public Record**

A handwritten signature in black ink, appearing to read 'Myles L. Tobin'.

Myles L. Tobin  
Attorney for the State of South Dakota

MLT: arw  
Enclosures.  
cc: Adrian L. Steel, Jr. (w/ encl.)

# MITCHELL AREA DEVELOPMENT CORPORATION

601 North Main Street  
Phone: (605) 996-1140

PO Box 1087  
Fax: (605) 996-8273

Mitchell, South Dakota 57301  
[www.mitchellsd.org](http://www.mitchellsd.org)

March 8, 2005



Hon. Vernon A. Williams  
Secretary, Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423

Re: Finance Docket No. 34667, BNSF Railway Company -  
Purchase and Operation - State of South Dakota

Dear Mr. Williams:

The Mitchell Area Development Corporation (MADC) is a non-profit organization incorporated under the laws of South Dakota. MADC engages in policies and initiatives that promote business opportunity and encourage development in Mitchell and the surrounding areas. As part of those efforts, MADC takes an active and serious interest in transportation matters that affect the region.

Mitchell is located in southeastern South Dakota and rail service in the Mitchell area is provided by the BNSF Railway on rail lines owned by the State of South Dakota and extending north, south and east from Mitchell (the so-called "Core Lines"), and by Dakota Southern Railway on a State-owned rail line extending west from Mitchell. Rail service on all of those lines is important to local employers and business and to the economic health of the region, particularly with respect to agricultural commodities.

MADC strongly supports the conditions requested by the State of South Dakota, in connection with the pending sale of the Core Lines to BNSF, to ensure the future viability of the Dakota Southern line and the availability of adequate rail service and market access for grain shippers on that line. The recent development of large, 110-car elevators on BNSF main lines, while beneficial in some respects, has also served to penalize and pressure smaller elevators on other rail lines and the smaller railroads that serve them. The sale of the Core Lines to BNSF will exacerbate that problem by isolating the Dakota Southern line from any other state-owned lines. We believe that the Dakota Southern line can and should continue to be a viable component of the transportation network in this region, and that the Board should provide the line with that opportunity.

The conditions sought by the State of South Dakota reasonably and effectively respond to these concerns arising from the proposed Core Line sale. The availability of trackage rights for Dakota Southern to reach Sioux City, Iowa will ensure that Dakota Southern can connect with other railroads and thus would have the opportunity to provide rate and service options that are appropriate for the smaller elevators on the Dakota Southern line. Also, the ability

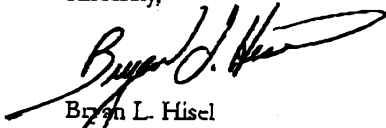
March 8, 2005

of Dakota Southern to handle grain shipments from points on the Dakota Southern line to the existing elevator at Mitchell will not only facilitate needed rail service on the Dakota Southern line, but also take trucks off of local roads and promote the continued efficient supply of grain to the Mitchell area. At the same time, we do not foresee that these conditions would unfairly impair BNSF, which is an important constituency in our community as well.

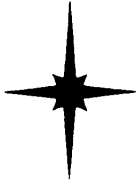
The conditions sought by the State are important to the public interest and to the economic well-being of our region. MADC supports the consideration and implementation of those conditions in connection with any BNSF purchase of the Core Lines.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Sincerely,



Bryan L. Hisel  
Executive Director  
Mitchell Area Development Corporation

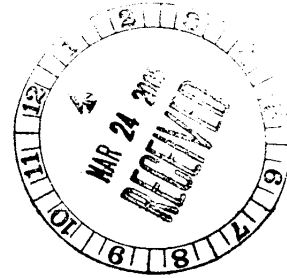


## **YAGGIE'S INC.**

3rd and Mulberry, P.O. Box 134 • Yankton, South Dakota 57078 • (605) 665-7801

March 17, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001



Re: **Finance Docket No. 34667**  
**BNSF Railway Company -- Purchase and**  
**Operation -- State of South Dakota**

Dear Secretary Williams:

My name is Mark A. Yonke. I am the President of Yaggie's, Inc. in Yankton, South Dakota. Our elevator facility is located on the Mitchell-Sioux City rail line owned by the State of South Dakota and currently operated by the BNSF Railway. Our facility is capable of loading 54-car grain trains for outbound movement by BNSF.

We are supportive of the efforts of the State of South Dakota to ensure that adequate rail service and market access is provided for grain shippers of all sizes within the state. We have benefited from the public-private partnership that allowed the State to make significant investments in the region's railroad infrastructure, and that ultimately resulted in the preservation and improvement of rail service on the Core Lines which we now utilize. We do not believe that the pending sale of the Core Lines to BNSF should be allowed to threaten the same availability of adequate rail service on other state-owned rail lines elsewhere in South Dakota.

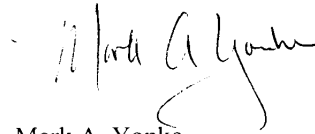
BNSF, as the major Class I railroad providing service to grain shippers in South Dakota, has in recent years increasingly favored the movement of South Dakota grain via 110-car elevators and "shuttle trains." Whatever their benefits, such operations should not be allowed to squeeze out the rail transportation services needed by the many remaining smaller shippers.

Anything that expands the competitiveness and market access of South Dakota grain is good for all of us. Conversely, those things which diminish the market and attractiveness of South Dakota grain can have an impact throughout the state. Nor is it beneficial if BNSF believes it only has to compete for traffic from large, 110-car elevators, knowing that smaller elevators have been effectively shut out from rail-served markets.

Mr. Vernon A. Williams  
March 17, 2005  
Page 2

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark A. Yonke". The signature is written in a cursive style with a large, sweeping "Y" and a distinct "K".

Mark A. Yonke

cc: Adrian L. Steel, Jr., Mayer Brown & Platt, 1909 K Street, NW, Washington, DC 20006  
Myles L. Tobin, Fletcher & Sippel, 29 North Wacker Drive, Ste. 920, Chicago, IL 60606



**VeraSun ENERGY**

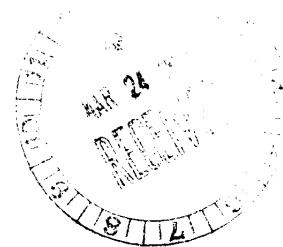
America's Source for Renewable Energy

100 22nd Ave, Ste 103  
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March 21, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

Re: **Finance Docket No. 34667**  
**BNSF Railway Company – Purchase and**  
**Operation – State of South Dakota**



Dear Secretary Williams:

My name is Bruce Jamerson. I am the President & CFO of VeraSun Energy Corporation. VeraSun owns an ethanol production facility located at Aurora, South Dakota. We are served by the Dakota, Minnesota & Eastern Railroad ("DM&E") via its line east of the State-owned "Core Lines." VeraSun ships by rail over 100 million gallons of outbound ethanol on an annual basis, along with approximately 280,000 tons of outbound distillers dried grains which are a byproduct of the corn utilized in the ethanol production process.

We are supportive of the efforts of the State of South Dakota and the DM&E Railroad to ensure that adequate rail service and market access is provided for shippers of all sizes within the State. DM&E-DMVW (on behalf of State) interchange access at Aberdeen, along with DM&E trackage rights to Sioux City, Iowa, for interchange to CN and UP, would substantially improve our market access to Canada as well as to the West Coast and Pacific Northwest export markets.

As such, we believe that the conditions sought by the State of South Dakota in this matter, and in particular those relating to Aberdeen interchange access and DM&E trackage rights to Sioux City, Iowa, would be of substantial benefit to shippers, large and small on the DM&E, without harming BNSF or shippers on BNSF's lines (including the Core Lines once acquired by BNSF).

We appreciate the Board's consideration of our view. I verify under penalty of perjury under the laws of the United States that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Very truly yours,

Bruce A. Jamerson  
President & CFO

cc: Adrian L. Steel, Jr.  
Myles L. Tobin